

**W-2 Contract and Implementation Committee
Contract Issues Sub-Committee**

Date: November 4, 2002

Division/Division Contact: Paul Saeman

Topic: Performance Standards Right of First Selection

Problem Description or Issue:

Background: Right of First Selection (ROFS) is determined at the end of the year of a two-year W-2 Contract. A significant number of agencies are not meeting the current ROFS criteria. Issues relative to performance standards has been raised by the performance standards sub-committee, the contract issues sub-committee, and the C&I committee for over one calendar year. The issues raised are:

- **The new performance standards are not working as intended.**
- **There are numerous technical reporting issues.**
- **The factor of a significant downturn in the economy has not been addressed in the 35% benchmark of the Entered Employment standard.**
- **Requested reports have not been made available to local agencies in a timely manner.**
- **The standards of Earnings Gain, Assessment, and Extensions are not in compliance with the contractual intent of Performance Standard language in the 2002-2003 W-2 contract.**
- **The standards are measured by the timeliness of CARES entries only and do not reflect the true services provided by agency staff. At times customers would receive a reduction in service if an agency insures they only provide the service needed to meet the standards rather than the services customers require.**

Alternatives: Option one:

The standards of Earnings Gain, Assessment, and Extensions should be re-evaluated by the C&I performance Standard subcommittee, but removed from the current consideration of Right of First Selection for contract year 2002.

Additionally, the percentage achievement requirement (35%) for the Entered Employment standard be adjusted downward to realistically reflect the effects of the current economic recession, since the existing standard requirements reflect job opportunities available during booming economic times."

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Pro's

- Would allow for a fair and equitable Right of First selection process by using the agreed upon standards from the 2000-2001 W-2 contract.
- Allows for the accurate reflection of Assessment, Earnings gain, and Timely extension process by developing a process to measure those same outcomes.
- Will accurately reflect what the benchmark should be for Entered Employment's by using the current labor market information. This will also assist agencies in making appropriate W-2 placements by insuring that customers are given realistic employment goals.

Con's

- Would require a change to the current contract.

Option Two

Leave the standards as they are and make no changes.

Pro's

- Would not require any changes by DWD

Con's

- Would not accurately reflect what is occurring in agencies due to the fact that the reporting criteria is flawed, and agencies have not had access to the information for the entire contract year.
- Would set unrealistic employment expectations for customers and agencies may be required to make placement decisions based on inaccurate data. (Entered Employment benchmark)
- May result in agencies not being able to serve participants appropriately in order to meet the criteria because of the timing of entries as measured by CARES (Assessment ,Extension , and Earnings Gain benchmark).

Comments/Positions by External Partners:

Comments by Technical Reviewers: (i.e., Legal Counsel, DOA, etc.)

Recommendation to Secretary:

Adopt Option one.